



A PHI Company

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February 25, 2015

**VIA DELAFILE AND
ELECTRONIC MAIL**

Pamela Knotts
Delaware Public Service Commission
Cannon Building, Suite 100
861 Silver Lake Boulevard
Dover, DE 19904

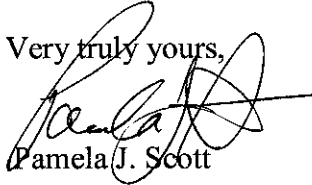
Re: Application for Approval of the 2015 Program for the Procurement
of Solar Renewable Energy Credits – Docket No. 14-0560 (the “Application”)

Dear Pam:

As a follow up to our recent conversation regarding the Application, enclosed please find a clean and blackline version of Replacement Page 19 to the 2015 SREC Procurement Program Outline. As we discussed, page 19 of the Program Outline included with the Application contains the following statement: “The SEU reserves the right to reject any and all bids above a determined price, and bids above the Alternative Compliance Payment of \$400 will be rejected”. This statement is not meant to indicate that the SEU has the right to set the determined price for purposes of accepting or rejecting bids in the 2015 SREC Auction.

Consistent with the Strawman Proposal for the 2015 SREC Procurement Program developed by the Renewable Energy Taskforce, only Delmarva Power has the right to set a price above which it will not accept bids. The role of the SEU is to act on Delmarva’s behalf in carrying out the terms and conditions of the 2015 SREC Procurement Program as it relates to the SREC auction process. Therefore, in order to avoid any possibility that the above-referenced statement could be misconstrued as it relates to the authority of the SEU, please remove the existing page 19 of the 2015 SREC Procurement Program Outline included with the Application filed on December 9, 2014, and replace it with the revised page 19 which is enclosed with this letter.

Should you have any questions or require any additional information, please do not hesitate to contact me.

Very truly yours,

Pamela J. Scott

Enclosures

cc: Donna Nickerson, Acting Secretary (w/enclosures)
Robert Howatt (w/enclosures)
Dave Bonar (w/enclosures)
Julie Donoghue, Esquire (w/enclosures)
Regina Iorii, Esquire (w/enclosures)
Robert Underwood (w/enclosures)
Thomas Noyes (w/enclosures)
Anthony DiPrima (w/enclosures)
Glenn Moore (w/enclosures)
William Swink (w/enclosures)

REPLACEMENT PAGE

such shortfall occurs; and (b) the price for SRECs under the SREC Transfer Agreement. Such damages shall be due and payable no later than thirty (30) days after the end of the annual period to which they apply. Payment of such damages will be the Owner's sole liability for the failure to deliver the Minimum Annual Quantity.

9.1 Replacement of Owner Representative

An Owner may remove its Owner Representative at any time and for any reason (or no reason) in its sole and absolute discretion.

10. Bid Awards

Promptly upon receipt of an application to sell SRECs from an Owner Representative or Owner in response to a solicitation issued pursuant to the 2015 SREC Procurement Program, the SEU will review the application to verify whether it is complete and complies with all applicable procedures. Partial or incomplete applications will be rejected. Any and all bids above a determined price, as established by Delmarva Power, and bids above the Alternative Compliance Payment of \$400, will be rejected. In addition, owners of Existing Systems who default on their bids by not signing a contract will be prohibited from bidding in a subsequent long term auction.

10.1 Competitive Solicitations

All projects will be required to submit price bids in competitive solicitations. A given system is only allowed to bid into one (1) auction and one (1) tier per year.

The price bid for each project must be for a fixed dollar amount, which amount cannot escalate or otherwise vary during the initial ten (10) year period of the term of the Agreement. The SEU will award SREC Transfer Agreements to such projects with the lowest price bids in each solicitation. If Tier N-1 and/or Tier N-2 have losing bids that are lower priced than winning bids for Tier N-3, such bids will be applied to Tier N-3 in order to minimize the weighted average bid price of Tier N-3. Bids from Tier N-3 will not be applied to Tier N-1 or Tier N-2, and bids from

REPLACEMENT PAGE

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